



United States Department of State

Washington, D.C. 20520

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AUG 14 2003

AUG 13 2003

Dear Mr. Larson:

Thank you for your July 11 letter to the President to suggest that he submit an emergency supplemental appropriations request of \$1 billion for global HIV/AIDS programs. The President welcomes and shares your deep concern about addressing the global HIV/AIDS pandemic and has asked the Department of State to respond.

The Administration appreciates the timely passage of H.R. 1298, the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003, which the President signed into law on May 27, 2003, that will allow the implementation of the President's historic five-year \$15 billion Emergency Plan for AIDS Relief. The Administration is also grateful for your support for adequate funding for HIV/AIDS.

As you know, the President's Fiscal Year 2004 budget request seeks \$2 billion for international HIV/AIDS, tuberculosis and malaria activities. This request is a solid first step in fulfilling the President's commitment of providing \$15 billion over the next five years to address the HIV/AIDS pandemic in Africa, the Caribbean, and around the world.

Many of the countries that are the focus of the new Presidential initiative struggle not only with the challenges of HIV/AIDS, but also with vast deficiencies in the areas of health infrastructure, human capacity, and education. The President's initiative will address these areas, since careful attention to these constraints will make the Emergency Plan much more effective.

The Honorable
John Larson,
House of Representatives.

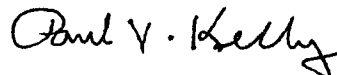
The President's Fiscal Year 2004 budget request of \$2 billion is meant to allow time for countries to build their capacity and to ensure that funds are spent effectively in the first year of the initiative. As capacity improves in the focus countries, additional funding will be requested to achieve the most efficient and effective training, technology, and infrastructure base needed to ensure delivery of appropriate medical treatment protocols and the long-term success of the initiative.

The Administration is pleased with the early successes of the Global Fund to Fight AIDS, Tuberculosis and Malaria. Under the President's Emergency Plan, the total, multi-year pledge from the United States represents 35 percent of all of the resources promised to the Fund, and is far above the share of an international organization's budget that the United States typically bears. President Bush believes that an annual contribution of \$200 million over the next five years will ensure continued, predictable support of the Fund and encourage additional nations and other donors to join the U.S. to become long-term, steady supporters of the work of the Global Fund.

As you know, the United States is legally bound to act under a limitation that U.S. contributions for fiscal years 2004 through 2008 total no more than 33 percent of the Fund's resources, as measured against cumulative cash contributions. Since the U.S. share now stands at 41 percent, other donors will need to make additional contributions or otherwise commit callable assets in fiscal year 2004 of \$780 million for the U.S. to be able to meet the \$200 million pledge and maintain a U.S. percentage of contributions at one-third.

I look forward to working with you and other Members of Congress as we work to ensure the success of the President's Emergency Plan for AIDS Relief. Please do not hesitate to contact me if we can be of any further assistance.

Sincerely,

A handwritten signature in dark ink, reading "Paul V. Kelly". The signature is written in a cursive style with a large, stylized "K".

Paul V. Kelly
Assistant Secretary
Legislative Affairs